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# ***Endemol Denmark A/S***

Jenagade 22, DK-2300 København S

## **Annual Report for 1 January - 31 December 2016**

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CVR No 33 25 47 76

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
14/6 2017

Marcus Christian Wolter  
Chairman



**pwc**

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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Endemol Denmark A/S for the financial year 1 January - 31 December 2016.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations for 2016.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 14 June 2017

## Executive Board

Karin Aurora Ulfsdotter Stjärne  
CEO

## Board of Directors

Marcus Christian Wolter  
Chairman

Karin Aurora Ulfsdotter Stjärne

Kent Nikolajsen

# Independent Auditor's Report

To the Shareholder of Endemol Denmark A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Endemol Denmark A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the

# Independent Auditor's Report

audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 14 June 2017

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Leif Ulbæk Jensen  
State Authorised Public Accountant

James Liang  
State Authorised Public Accountant

## **Company Information**

### **The Company**

Endemol Denmark A/S  
Jenagade 22  
DK-2300 København S

CVR No: 33 25 47 76  
Financial period: 1 January - 31 December  
Incorporated: 28 October 2010  
Municipality of reg. office: Copenhagen

### **Board of Directors**

Marcus Christian Wolter, Chairman  
Karin Aurora Ulfsdotter Stjärne  
Kent Nikolajsen

### **Executive Board**

Karin Aurora Ulfsdotter Stjärne

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Income Statement 1 January - 31 December

	Note	2016 DKK	2015 DKK
<b>Gross profit/loss</b>		<b>-3,556,556</b>	<b>-10,802,226</b>
Staff expenses	4	<u>0</u>	<u>-3,224,189</u>
<b>Profit/loss before financial income and expenses</b>		<b>-3,556,556</b>	<b>-14,026,415</b>
Financial income		0	37,164
Financial expenses	5	<u>-6,670,688</u>	<u>-992,932</u>
<b>Profit/loss before tax</b>		<b>-10,227,244</b>	<b>-14,982,183</b>
Tax on profit/loss for the year	6	<u>2,436,186</u>	<u>3,451,416</u>
<b>Net profit/loss for the year</b>		<b><u>-7,791,058</u></b>	<b><u>-11,530,767</u></b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		<u>-7,791,058</u>	<u>-11,530,767</u>
		<b><u>-7,791,058</u></b>	<b><u>-11,530,767</u></b>

# Balance Sheet 31 December

## Assets

	Note	2016 DKK	2015 DKK
Investments in subsidiaries	7	134,002,300	136,527,150
<b>Fixed asset investments</b>		<b>134,002,300</b>	<b>136,527,150</b>
<b>Fixed assets</b>		<b>134,002,300</b>	<b>136,527,150</b>
Trade receivables		0	375,000
Corporation tax		1,710,372	3,459,416
<b>Receivables</b>		<b>1,710,372</b>	<b>3,834,416</b>
<b>Cash at bank and in hand</b>		<b>5,586,325</b>	<b>516,770</b>
<b>Currents assets</b>		<b>7,296,697</b>	<b>4,351,186</b>
<b>Assets</b>		<b>141,298,997</b>	<b>140,878,336</b>



# Balance Sheet 31 December

## Liabilities and equity

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
Share capital		14,675,000	14,675,000
Retained earnings		<u>17,811,563</u>	<u>25,602,621</u>
<b>Equity</b>	<b>8</b>	<b><u>32,486,563</u></b>	<b><u>40,277,621</u></b>
Trade payables		0	1,690
Payables to group enterprises		108,722,555	100,346,336
Other payables		<u>89,879</u>	<u>252,689</u>
<b>Short-term debt</b>		<b><u>108,812,434</u></b>	<b><u>100,600,715</u></b>
<b>Debt</b>		<b><u>108,812,434</u></b>	<b><u>100,600,715</u></b>
<b>Liabilities and equity</b>		<b><u>141,298,997</u></b>	<b><u>140,878,336</u></b>
Going concern	1		
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# Notes to the Financial Statements

## 1 Going concern

EndemolShine Nordics AB has in a letter of support to Endemol Denmark A/S declared that it will provide support the company, so that the company is able to continue as a going concern and pay its debts until January 2018.

## 2 Subsequent events

The investment in Studios A/S has been sold to HD Resources Sweden AB with effect from 7 April 2017.

## 3 Key activities

The key activity of the company is to own shares in Metronome Productions A/S and Studios A/S.

	2016 DKK	2015 DKK
<b>4 Staff expenses</b>		
Wages and salaries	0	2,757,201
Pensions	0	267,023
Other social security expenses	0	34,151
Other staff expenses	0	165,814
	<b>0</b>	<b>3,224,189</b>

## 5 Financial expenses

Interest paid to group enterprises	6,670,668	989,265
Other financial expenses	20	3,667
	<b>6,670,688</b>	<b>992,932</b>

## 6 Tax on profit/loss for the year

Current tax for the year	-1,702,372	-3,451,416
Adjustment of tax concerning previous years	-733,814	0
	<b>-2,436,186</b>	<b>-3,451,416</b>

The income regarding tax from previous years is due to additional use of tax asset not recognised as deferred tax asset in the financial statements for 2015.

## Notes to the Financial Statements

	2016 DKK	2015 DKK
<b>7 Investments in subsidiaries</b>		
Cost at 1 January	136,527,150	0
Additions for the year	<u>0</u>	<u>136,527,150</u>
Cost at 31 December	<u>136,527,150</u>	<u>136,527,150</u>
Value adjustments at 1 January	0	0
Impairment for the year, net	<u>-2,524,850</u>	<u>0</u>
Value adjustments at 31 December	<u>-2,524,850</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>134,002,300</u></b>	<b><u>136,527,150</u></b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Studios A/S	Copenhagen	600.000	100%	25,782	-4,433
Metronome productions A/S	Copenhagen	1.300.000	100%	48,237	7,113

## 8 Equity

	Share capital DKK	Retained earnings DKK	Total DKK
Equity at 1 January	14,675,000	25,602,621	40,277,621
Net profit/loss for the year	<u>0</u>	<u>-7,791,058</u>	<u>-7,791,058</u>
<b>Equity at 31 December</b>	<b><u>14,675,000</u></b>	<b><u>17,811,563</u></b>	<b><u>32,486,563</u></b>

# Notes to the Financial Statements

## 9 Contingent assets, liabilities and other financial obligations

### Contingent liabilities

The company is jointly taxed with Metronome Productions A/S and Studios A/S and is liable together with other jointly taxed group entities for payment of income taxes for the income year 2014 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

## 10 Related parties

### Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Endemol Shine Nordics AB

### Consolidated Financial Statements

Selskabet indgår i koncernrapporten for moderselskabet

Name	Place of registered office
MediArena Acquisition B.V.	Netherlands

The Group Annual Report of MediArena Acquisition B.V. may be obtained at the following address:

De Boelelaan 7  
Amsterdam  
NL-1083 HJ  
Netherlands

# Notes to the Financial Statements

## 11 Accounting Policies

The Annual Report of Endemol Denmark A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2016 are presented in DKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of MediArena Acquisition B.V., the Company has not prepared consolidated financial statements.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### Income Statement

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

#### Revenue

Revenue from the sale of service is recognised when the risks and rewards relating to the service sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company. Income is recognised when the services is delivered.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

#### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

#### Other external expenses

Other external expenses comprise the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc..

#### Staff expenses

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

#### Extraordinary income and expenses

Extraordinary income and expenses comprise income and expenses resulting from events or transactions which clearly differ from ordinary activities and which are not expected to be of a recurring nature.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## Balance Sheet

### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

### Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

### Equity

Proposed dividends are recognized as a liability at the date when they are adapted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under capital and reserves.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.